

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2293 - SB 2356

March 13, 2016

SUMMARY OF BILL: Prohibits the issuance of any permits related to the operation of rock quarries on land located within 2,000 feet of a property line of a park or community education center; 500 feet from any other property line that is not subject to the setback requirement of parks and community education centers; and 1,250 feet of any residential structure.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue –

\$13,800/FY16-17 and Subsequent Years/Surface Mining Reclamation Fund
\$8,800/FY16-17/Environmental Protection Fund
\$17,100/FY17-18/Environmental Protection Fund
\$25,400/FY18-19/Environmental Protection Fund
\$33,700/FY19-20/Environmental Protection Fund
\$42,000/FY20-21 and Subsequent Years/Environmental Protection Fund

Decrease Local Revenue - \$21,800/FY16-17

\$43,600/FY17-18
\$65,500/FY18-19
\$87,300/FY19-20
\$109,100/FY20-21 and Subsequent Years

Assumptions:

- Pursuant to Tenn. Code. Ann. § 59-8-206, surface mining permit fees consists of a \$250 application fee plus a \$25 per acre fee not to exceed \$2,500. The permits are typically issued for a term of five years and permit fees are deposited in the Surface Mine Reclamation Fund.
- According to TDEC, there are approximately 35 permitted surface mining operations that are considered a rock quarry in Tennessee.
- Based on the information received by TDEC, it is assumed that at least 5 of the 35 permitted surface mining operations would be at least 100 acres in size and not be eligible to renew permits as a result of prohibitions established in this bill each year.

- The recurring decrease in state revenue to the Surface Mine Reclamation Fund is estimated to be \$13,750 [(\$250 application fee x 5 operations) + (100 acres x \$25 fee per acre x 5 operations)].
- Pursuant to Tenn. Code. Ann. § 59-8-205 (a)(1)(G), surface mining operations in some cases must obtain a national pollutant discharge elimination system (NPDES) permit.
- It is assumed that at least 2 of the 5 operations will have NPDES permits and such will have terms of 5 years; a \$250 renewal fee; and a \$4,150 annual maintenance fee for the 100 acres. All fees are deposited in the Environmental Protection Fund.
- For purposes of brevity, numerous calculations from which the following estimates were determined have been omitted; however, such information is on file with the Fiscal Review Committee staff and is available upon request.
- The decrease in state revenue to the Environmental Protection Fund is estimated to be: \$8,800 in FY16-17, \$17,100 in FY17-18, \$25,400 in FY18-19, \$33,700 in FY19-20, and \$42,000 in FY20-21 and subsequent years.
- According to TDEC, severance tax revenues collected by local governments in FY14-15 were \$436,397. This number is assumed to remain constant under current law.
- Assuming a five percent decrease in severance tax collections by local governments, the recurring decrease in local revenue under the provisions of this bill is estimated to be: \$21,820 in FY16-17; \$43,640 in FY17-18; \$65,460 in FY18-19; \$87,280 in FY19-20; and \$109,100 in FY20-21 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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